

## CPM Project

Separate Submission of Sales Tax Returns and ACH Credit  
Payments for the SC Department of Revenue's ESales  
System

Allison McLendon  
SC Department of Revenue

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**STATE DOCUMENTS**

The SC Department of Revenue (SCDOR) needs to provide a more efficient process to reduce errors and manual intervention by SCDOR employees as well as reduce the tax compliance burden on the taxpayer by forcing them to purchase software to submit their return with an Automated Clearing House credit payment. I propose to investigate the capability of taxpayers being able to submit a sales tax return to the agency's ESales Internet application and an ACH credit payment through the agency's Electronic Funds Transfer system.

During the research for this project it was determined that for reasons explained in this paper, the above problem statement is not possible because of the design of the SCDOR tax system. ACH credits will have to be submitted through a file from the agency's financial institution and not through the Electronic Funds Transfer system. I have also adjusted the original problem statement that was submitted and approved because of the need to explain the advantages this change would present for the agency.

The Automated Clearing House (ACH) is an electronic network for financial transactions in the United States. ACH credit and ACH debit are the two types of electronic transactions accepted by the SCDOR. An ACH credit is an electronic payment that is initiated by a taxpayer to the SCDOR's financial institution. A taxpayer must have an agreement with their financial institution to be able to electronically transmit an ACH payment from some type of system that the bank provides. The funds are initiated by the taxpayer in conjunction with their bank, processed through the ACH Network and electronically sent to our agency's financial institution to be deposited into SCDOR's account. An ACH debit is an electronic payment that is initiated by a taxpayer using some type of system that the SCDOR provides for them. This allows the SCDOR's

financial institution to debit the funds from the taxpayers' account. The taxpayer must provide the agency with their financial institution's routing number, bank account number and authorization to perform the transaction(s). These transactions are also processed through the ACH network. A diagram of both of these processes is located in appendix 1.

Many small business taxpayers will allow us to debit their bank account but the majority of large businesses or corporations are reluctant to provide their banking information to the Department of Revenue. The control remains with them and allows them a two person process within their company to protect them from embezzlement or fraud. In large corporations, the tax department performs the duties involved with the sales tax returns and the accounts payable department performs the duties involved with the payment. Often, tax departments and accounts payable departments are in different locations or cities. There are also companies that have a tax professional or accountant to prepare the return portion of their sales tax forms but prefer to have control of the funds. The accountant submits the returns electronically and notifies the business the amount that needs to be paid. The taxpayer then authorizes a separate financial transaction.

The South Carolina Department of Revenue has been a leading proponent for electronic payments and filings for many years. Our systems have experienced growth due to society and their desire to move away from paper and to electronics. We offer our taxpayers a number of systems for paying and filing electronically. The obvious advantage to taxpayers filing/paying electronically is immediate confirmation of the transaction. For our agency, there are cost savings of processing and reduced staff. If a

taxpayer files/pays electronically it loads directly from the electronic system to SCDOR's tax system with little or no intervention unless errors occur.

In 1991, SCDOR introduced its first electronic business system. The Electronic Funds Transfer System (EFT) is a touch tone, internet and voice activated system that accepts ACH credit and debit payments. It is a payment only system that allows taxpayers to submit withholding, corporate and miscellaneous taxes. It does not accept sales tax payments because of the system need for the return and payment to be loaded to the tax system together.

Section 12-54-250 of the SC Code of Laws (appendix 2) requires any business paying \$15,000 or more in a filing period during a twelve month period to pay electronically. This includes withholding, corporate, miscellaneous and sales tax. There are 2,398 sales entities that meet this requirement, of those 1,233 are filing and paying electronically. This represents only businesses and does not include the number of returns and locations for those businesses that are involved.

The agency developed a Sales Electronic Funds Transfer/Electronic Data Interchange (Sales EFT/EDI) system that began operating in 2000 to allow for filing and paying of sales tax dollars. At that time, the state contracted with Baca, Stein, White and Associates (BSWA) to serve as our Value Added Network (VAN). Their duties are to translate the EDI files and process the EFT payment information into a format accepted by the agency's tax system. This system receives sales tax returns and payments including ACH credit and debit payments. It does require the taxpayer to purchase software that is approved by SCDOR. Many large dollar taxpayers prefer this method because their company may already own the approved software that they use within their



company as a financial package. These software packages are very expensive and many times provide services from the business' register to the EDI file that is sent to the agency. The high end packages can also be customized for the states and the needs of the company. Lower priced software is also available without as many capabilities. One of the less expensive packages can be purchased for \$159 per year. The software must be renewed each year. As an incentive to encourage taxpayers to file/pay electronically and to offset the price of the software, taxpayers that maximize their \$3000 discount are allowed a \$3100 discount. The hundred dollar difference covered the cost of the software several years ago when the incentive was implemented.

The Sales EFT/EDI system is a system that requires the electronic sales tax returns and the electronic payments to come as one piece. For ACH debits, the process is simplified because the return(s) and payment information are included in the same transmission. The taxpayer provides their banking information and the amount to be debited from their account. ACH credits are a more complicated process because the returns are received from the taxpayer's EDI software and the payments are received through a different system designed by their financial institution. To add further complications, the SCDOR requires a unique format.

With electronic standards, there are ACH credits and ACH debits but there are also a number of different ACH formats in which payments can be received. The SCDOR specifies which format the taxpayer can use to send their payment according to the system. Two of the formats used for ACH credits sent to the SCDOR are Cash Concentrated Disbursement Plus (CCD+) and Cash Concentrated Disbursement (CCD). The two different formats are found in appendix 3. The formats are very similar but the

CCD has a five and six record and the CCD+ has a five, six and seven (addenda) record. The five record includes the company name, an identification number, effective entry date of payment, settlement date and other required fields. Banking information, the company name receiving the payment, the amount and other details are included in the six record. The seven record includes eighty characters of additional information. The five record and the six record are the same for both formats. The CCD+ format is a more commonly used format for any type of corporate payment. The SCDOR accepts the CCD+ format for their EFT system which accepts ACH credit payments but the Sales EFT/EDI system requires CCD format. The CCD format is not frequently used. Therefore, when taxpayers access their bank's software this format is not immediately available to them. To further complicate the situation, the SCDOR requires that a certain field be populated with the taxpayer's identification number. Taxpayers have difficulty populating this field and frequently have to work one on one with their financial institution to be able to access this field. There have been occasions when a financial institution has refused to allow the taxpayer to use this field. Unfortunately, the agency can not force the taxpayer to comply with this even if the taxpayer is mandated by law to file electronically. The National Automated Clearing House Association (NACHA) enforces electronic standards and their rules state that this field is optional which means that we can not require the field to be populated.

The unique CCD format that is required for the Sales EFT/EDI system does create several issues for our agency if not populated correctly. Payments that are incorrect are unable to post to the taxpayer's sales account. Returns will post to the proper place but because of the need for the payment and return to post as one transaction the payment

goes to an unidentified account. This is an account to which payments deposit when the system is unable to determine where the payment should post. This requires an employee to complete a manual process of identifying the taxpayer, verifying the return and reprocessing each type of tax with a payment for every return and location. This can be a very lengthy process depending on how many locations the taxpayer has and how many local taxes that they are required to pay. The taxpayer will also receive an assessment of penalty and interest for no remit because their tax returns post correctly but it appears that their payment was not received. Until the funds are correctly distributed the SC State Treasurer's Office is prevented from properly allocating funds to the municipalities and counties.

As our agency continued to grow with electronic systems, we developed our own systems which are available on the SCDOR website <http://www.sctax.org>. One of the systems available to taxpayers is the ESales system <https://www3.sctax.org/esales>. This system allows the taxpayer to file sales tax returns and pay by ACH debit or credit card methods. It is a convenient system for taxpayers that do not want the expense of purchasing software and do not have a large number of sales tax returns to file. This system targets taxpayers with fewer locations although larger taxpayers are also welcome. The system does have a small number of large taxpayers that utilize this system to avoid purchasing software. Taxpayers create a user name and password to give them immediate access to the system. It provides them with the forms to manually enter their sales tax information and process their payment at the end of the program. Screen prints for the ESales system can be reviewed in appendix 4. There are other electronic systems available on SCDOR's website as well as vendor supported systems.

For the month of December, the employee correcting the payment errors spent sixty-four percent of her time on Sales EDI issues. With 48.50 hours per month, at the rate of \$18 per hour, the agency spends approximately \$10,476 a year on this salary for errors. An employee in another area also dedicates approximately 30 hours a month working with taxpayers to correct and track the issues. This employee tries to work with the business to resolve the problem before it enters our system. At an hourly rate of \$15 for 450 hours a year, the expense for the agency is \$5,400. This represents a total of \$15,876 spent on salaries for employees trying to prevent payments from going to the unidentified account or working the account once it has deposited there. There are also additional tax analysts working with taxpayers on the phone and writing correspondence to resolve other issues. It would be difficult to determine the amount of time these employees spend tracking down problems for these errors because of fluctuation from month to month.

After interviewing staff from our technical team and discussing the proposal, an estimate to redesign the ESales system of 500 hours was given. This would be at the rate of \$50 per hour. The agency is also currently designing a new back end tax system called South Carolina Integrated Tax System (SCITs). We have contracted with Revenue Solution Incorporated (RSI) to assist us with this system. The changes to the SCITS system to accommodate this proposal would be approximately 80 hours at a rate of \$100 per hour. Total resource cost for this expansion would be \$33,000.

Another research tool used was a survey sent through the Federation of Tax Administrators' listserv for tax agencies all over the United States and an additional attempt to contact some states individually. Twelve states responded to the survey of

questions. A spreadsheet and their responses to the actual survey can be found in appendix 5. All responding states have electronic systems. All accept ACH credits and debits payments although some of the states do not accept returns filed electronically. Four of the states allow taxpayers to upload their returns which would eliminate the need of a VAN for the SC Department of Revenue. Eighty-three percent of those surveyed post the payments and the returns separately which at this time the SCDOR is unable to do. This is a definite disadvantage for South Carolina because as stated previously the return and payment must continue to post as one transaction. This limits the process.

To collect further insight, a call was placed to the Florida Department of Revenue to gather details of how their system worked. Inquiries were made about the posting of payments and returns with state, local and municipal allotments. Florida allows their taxpayers to file a master return which means the taxes for all of businesses' locations are combined. South Carolina does not currently permit taxpayers to do this.

There are advantages for the agency and taxpayers to pay and file electronically with this expansion to the existing ESales System.

Department of Revenue:

- It will save the agency time and resources. The taxpayers that are still filing/paying paper returns would no longer have to be handled by the mail room, the scanner department or processing area and stored in the warehouse.
- This would give us an advantage to be able to market to a group of voluntary taxpayers that might not otherwise be interested because they are not willing to let the agency have access to their bank account information.
- The agency would conform to what other states have done.
- The ESales system also provides edits to prevent the taxpayer from making other common errors.
- This would offer more options for filing and paying electronically.

- It would drastically reduce the number of errors for ACH credits.
- The extra hundred dollar discount that taxpayers receive for paying/filing electronically could be eliminated. Taxpayers were given this to offset the cost of software but with this capability they would no longer have to purchase software.
- DOR has found the more control the agency has over a system, the quicker response time there is when there is a problem or implementation.
- CCD+ format will allow more flexibility and reduce errors.
- Reduction of penalty and interest notices.
- This will allow the DOR to enforce compliance of taxpayers that are mandated to file/pay electronically.

#### Taxpayers:

- If taxpayers file/pay electronically they have the advantage of filing early in the month, submitting their return and choosing to have their funds withdrawn on the due date. This feature is called warehousing their payment and is provided by most financial institutions.
- The taxpayer receives an acknowledgement that the return/payment is received timely. They don't have to worry about postal delivery or postage charges.
- It is fast and convenient.
- A copy of their return is available for their reference as needed.
- The ESales system also provides edits to prevent the taxpayer from making common errors.
- Taxpayers would be able to visit the website and not have to have software installed on their computer. This could be cumbersome if each state requires different software.
- This would offer more options for filing and paying electronically
- The CCD+ format will allow more flexibility and reduce errors.
- Reduction of penalty and interest notices

- Taxpayers that no longer wanted or needed to purchase software would have a free option on the website. They would no longer have the annual expense of the software.
- This will still allow a two person process within the company. One person that is in charge of the tax returns and another person to process the payment.

There are a few disadvantages.

Department of Revenue:

- Taxpayers could confuse payment options. They may not understand the difference between ACH credit and ACH debit. Therefore, it could result in taxpayers temporarily not properly submitting their payment.
- The agency would need to provide resources for the enhancement of the current system.

Taxpayer:

- Taxpayer would no longer receive additional \$100 discount.

As one can see, the advantages far out weigh the disadvantages.

Originally, I thought my recommendation would be to allow the taxpayer to send their sales tax return through the existing ESales system and send their ACH credit payment through the EFT System. After interviewing several of our technology employees, the conclusion was that it is not possible for the new tax system (SCITS); we are developing, to accept separate transactions for the return and payment. Therefore, it is not feasible for the payment to be transmitted through the EFT system as a separate transaction. Ninety percent of the states that responded to the survey allow separate transactions for both. The SCITS System does allow the return to post as a document and a remittance to post as a payment, but the taxpayer would be paying with one payment for multiple returns. The system will not post payments to different business locations. The State of SC requires many local taxes and special local taxes to be paid and documented on our Sale Tax forms. Therefore, our agency must take a payment and

apply the funds individually to each tax by location of the business as reported on the return.

After research, my recommendation is that the ESales System be modified to accept return information and allow the taxpayer to choose a new payment option of ACH credit. This would need to be added to the payment screen seen in appendix 6. Once the ACH credit option is selected, it would allow the taxpayer to complete their return transaction without proceeding to the payment information page. An explanation of exactly what an ACH credit payment is and that the Department of Revenue would be expecting an electronic payment through their financial institution by the due date would be necessary. An additional feature may be added to provide the taxpayer with the amount due. The return information would be passed to a warehousing system that would hold the return until the payment is received. The return would need to have limitations of how long it remained in the warehouse system so if no payment is received by the due date it would post to the taxpayer's account with penalty and interest assessed for lack of payment. This system would require design and is a portion of the eighty hours designated to the employees of RSI.

With the existing internet systems, the department passes a debit file to our financial institution each day for our ACH debit transaction. This file collects the debit transactions for the ESales system. After speaking with our representative at the bank, it is possible that instead of sending a file we would be able to receive a file of payments collected by the bank for credit payments. The agency currently receives credit payments in a different manner for the EFT system but this would be a different process. We would pull the file from the bank at the time we pass the debit transactions. Once the payments



are received the warehouse system would be checked for return information. If the agency has received a return and payment it would become one transaction and load to our SCITS System as our Sales EFT/EDI transaction are expected to do. The implementation of the Sales EFT/EDI to SCITS has not currently been implemented but we are in the development stages. A flowchart showing the flow of this recommendation can be found in appendix 7.

Marketing recommendations include a broadcast message on the welcome page of ESales and the South Carolina Business One Stop (SCBOS) that provides the support of the sign on process for this system. DOR also provides Sales Tax Seminars at different locations in the state to educate taxpayers. Electronic Services personnel participate in these seminars and would be able to provide information and guidance about the new feature added to the system. The growth in our electronic systems could become stagnate if we do not pursue other electronic methods. As we move forward in the assessments of taxpayers that are not compliant with electronic mandates, taxpayers would not be able to complain that they must purchase software to be allowed to use their preferred method of payment if this payment system is implemented. There is a large market of taxpayers that are still filing paper. In the month of November, 31,447 returns were filed electronically and 43,888 were submitted by paper. This system would allow those taxpayers an additional electronic option. The taxpayers targeted for this system would be a taxpayer that pays between \$15,000 and \$100,000. We estimate the number of taxpayers in this range to be approximately 607 businesses with multiple returns and local taxes. Hopefully, there would also be a number of volunteers that would utilize this system also.

Although the agency would have to spend an initial \$33,000 to build the enhancement of ESales and development of the warehousing system it would present a saving of \$15,876 per year just in resource funds. There would also be savings with assessment notices and taxpayers switching from paper to electronics. The agency could anticipate a cost recovery in less than three years.

I still feel the agency needs to investigate systems, forms and procedures to create the possibility of taxpayers being able to file through the ESales System and pay through EFT. Additionally, this would present a new market of taxpayers that do not currently participate in the electronic programs by allowing them to pay and/or file electronically. This capability would provide a further solution to reduction in paper processing and errors.

This recommendation is a stepping stone to the future expansions I would propose for the ESales systems. I feel it would also be to our advantage to add upload capabilities on ESales in the future. This would open up another market for the agency and allow taxpayers the capability to upload returns from software packages already owned by their company. At that point, taxpayers would have the option of keying their returns to ESales or using existing software to upload to our system. This would eliminate the need for services provided by BSWA and save the agency a yearly fee of \$130,000 - \$140,000. Estimates are not available but this would be a much larger expansion and would require a larger expense in resources.

In conclusion, this recommendation would provide the South Carolina Department of Revenue a more efficient process and taxpayers an additional convenience for filing and paying electronically.

# Acronyms

ACH.....	Automated Clearing House
CCD.....	Cash Concentrated Disbursement
CCD+.....	Cash Concentrated Disbursement Plus
DOR.....	Department of Revenue
EFT/EDI.....	Electronic Funds Transfer/Electronic Data Interchange
NACHA.....	National Automated Clearing House Association
RSI.....	Revenue Solutions Incorporated
SCBOS.....	South Carolina Business One Stop
SCDOR.....	South Carolina Department of Revenue
SCITS.....	South Carolina Integrated Tax System

# Appendix

Appendix 1.....Diagram of ACH Credit/Debit Processes

Appendix 2.....Code of Law 12-54-250

Appendix 3.....Formats for CCD and CCD+

Appendix 4 .....Screen prints from ESales System

Appendix 5.....Survey Spreadsheet

Appendix 5.....Survey Questions

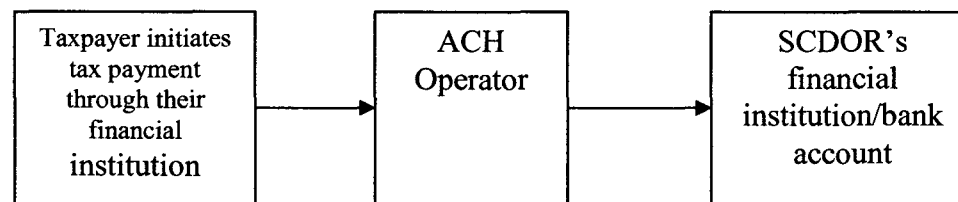
Appendix 5.....Surveys

Appendix 6.....Recommended Payment Screen

Appendix 7.....Proposed Flowchart

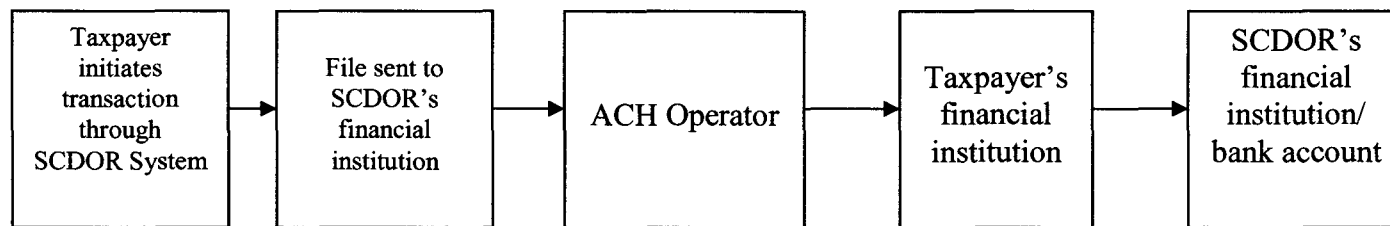
# Automated Clearing House Credit Process

## Credit



# Automated Clearing House Debit Process

## Debit



**SECTION 12-54-250.** Authority of Department of Revenue to require payment with immediately available funds debts of \$15,000 or more; interest and penalties.

(A)(1) The South Carolina Department of Revenue may require, consistent with the cash management policies of the State Treasurer, that a person owing fifteen thousand dollars or more in connection with any return, report, or other document to be filed with the department or a withholding agent making at least twenty-four payments in a year pursuant to Section 12-8-1520(D) pay the tax liability to the State no later than the date the payment is required by law to be made, in funds that are available immediately to the State. "Payment in immediately available funds" means payment by cash to the main office of the department before five o'clock p.m. or by electronic means established by the department, with the approval of the State Treasurer, which ensures the settlement of those funds in the state's account on or before the banking day following the due date of the tax as provided by law.

(2) Initiation of the transfer of funds must occur on or before the due date of the tax. If payment is made by means other than cash and settlement to the state's account does not occur on or before the banking day following the due date of the tax, payment is deemed to occur on the date settlement occurs.

(3) Failure to make timely payment in immediately available funds or failure to provide evidence of payment in a timely manner subjects the taxpayer to penalties and interest as provided by law for delinquent or deficient tax payments.

(B) The department may provide alternative periodic filing and payment dates later than the dates otherwise provided by law for taxes collected by the department in those instances considered to be in the best interests of the State. An alternative date must not be later than the last day of the month in which the tax was otherwise due.

(C) The department may prescribe rules and the State Treasurer banking procedures necessary for the administration of the provisions of this section.

(D) The department may prescribe alternative means other than paper to file returns and reporting documents necessary for the administration of this section.

(E) Payment by immediately available funds and filing of the return are considered simultaneous acts with respect to penalties and interest for failure to file and failure to pay. Penalties and interest must be calculated based on the later of the return postmark date or payment date.

(F)(1) A tax return preparer who prepares one hundred or more returns for a tax period for the same tax year shall submit all returns by electronic means where electronic means are available. Where electronic means are not available to file the return, but 2D barcode is available, the preparer must use 2D barcode. If a taxpayer checks a box on his return indicating a preference that his return is to be filed by another means, the preparer may submit that return by another means.

(2) The department shall include a notice of this requirement in its form instructions and in the forms area of its website.

(3) For the purposes of this subsection, tax return preparer means the business entity and not the individual location or individual completing the return.

(4) If compliance with this section is a substantial financial hardship, a tax return preparer may apply in writing to the department to be exempted from these requirements. The department may grant an exemption for no more than one year at a time.

(5) A person who fails to comply with the provisions of this section may be penalized in an amount to be assessed by the department equal to fifty dollars for each return.

### SUBSECTION 2.1.2 ACH Batch Record Format for All Entries

(Note: This Company/Batch Header Record Does Not Apply to CBR/PBR or effective September 18, 2009, IAT Entries.)

#### ALL ENTRIES COMPANY/BATCH HEADER RECORD (EXCEPT CBR, PBR & IAT)

FIELD	1	2	3	4	5	6	7	8	9	10	11	12	13
DATA ELEMENT NAME	RECORD TYPE CODE	SERVICE CLASS CODE	COMPANY NAME	COMPANY DISCRETIONARY DATA	COMPANY IDENTIFICATION	STANDARD ENTRY CLASS CODE	COMPANY ENTRY DESCRIPTION	COMPANY DESCRIPTIVE DATE	EFFECTIVE ENTRY DATE	SETTLEMENT DATE (JULIAN)	ORIGINATOR STATUS CODE	ORIGINATING DFI IDENTIFICATION	BATCH NUMBER
Field Inclusion Requirement	M	M	M	O	M	M	M	O	R	Inserted by ACH Operator	M	M	M
Contents	'5'	Numeric	Alphameric	Alphameric	Alphameric	Alphameric	Alphameric	Alphameric	YYMMDD	Numeric	Alphameric	TTTTAAAA	Numeric
Length	1	3	16	20	10	3	10	6	6	3	1	8	7
Position	01-01	02-04	05-20	21-40	41-50	51-53	54-63	64-69	70-75	76-78	79-79	80-87	88-94

## RECORD 5

2009 ACH Rules: A Complete Guide to Rules & Regulations Governing the ACH  
Network. National Automated Clearing House Association 2009: OR55



**SUBSECTION 2.1.9 Sequence of Records for CCD Entries**

**CCD ENTRY DETAIL RECORD**

FIELD	1	2	3	4	5	6	7	8	9	10	11
DATA ELEMENT NAME	RECORD TYPE CODE	TRANSACTION CODE	RECEIVING DFI IDENTIFICATION	CHECK DIGIT	DFI ACCOUNT NUMBER	AMOUNT	IDENTIFICATION NUMBER	RECEIVING COMPANY NAME	DISCRETIONARY DATA	ADDENDA RECORD INDICATOR	TRACE NUMBER
Field Inclusion Requirement	M	M	M	M	R	M	O	R	O	M	M
Contents	'6'	Numeric	TTTTAAA	Numeric	Alphameric	\$\$\$\$\$\$\$#	Alphameric	Alphameric	Alphameric	Numeric	Numeric
Length	1	2	8	1	17	10	15	22	2	1	15
Position	01-01	02-03	04-11	12-12	13-29	30-39	40-54	55-76	77-78	79-79	80-94

**RECORD 6**

# CCD ADDENDA RECORD

FIELD	1	2	3	4	5
DATA ELEMENT NAME	RECORD TYPE CODE	ADDENDA TYPE CODE	PAYMENT RELATED INFORMATION	ADDENDA SEQUENCE NUMBER	ENTRY DETAIL SEQUENCE NUMBER
Field Inclusion Requirement	M	M	O	M	M
Contents	'7'	'05'	Alphameric	Numeric	Numeric
Length	1	2	80	4	7
Position	01-01	02-03	04-83	84-87	88-94

OR 63

APPENDIX TWO

## RECORD 7

2009 ACH Rules: A Complete Guide to Rules & Regulations Governing the ACH Network. National Automated Clearing House Association 2009: OR63



## SOUTH CAROLINA DEPARTMENT OF REVENUE Sales and Use Tax System

[What is the Sales and Use Tax System?](#)

[What Returns Can I File and Pay Online?](#)

[What Information Do I Need to File and Pay a Return Online?](#)

[Frequently Asked Questions \(F.A.Q.\)](#)

[Contact DOR](#)

**File  
Online**

**Click Here For  
Demonstration**

### What is the Sales and Use Tax System?

The South Carolina Department of Revenue Electronic Sales Tax System (eSales) is designed to give taxpayers a **FAST, FREE, ELECTRONIC, and SECURE** way to submit return information and tax payments for sales, use, accommodations, local option and special local taxes.

The Department Of Revenue's Electronic Sales System allows you to file and make payment by EFW (Electronic Funds Withdrawal/Bank Draft) or credit card without having to leave your home or office.

EFW payments on current period returns can be warehoused up to 15 days prior to the due date of the return.

### Avoid penalty and interest charges

For electronic purposes your tax return/payment authorization must be submitted to the South Carolina Department of Revenue no later than the due date. The due date is normally the 20th day of the month, unless the 20th falls on a weekend or a holiday.

### IMPORTANT NOTICE FOR TAXPAYERS

- **Will the funds for this payment come from an account outside the United States? If yes, the South Carolina Department of Revenue cannot process the payment at this time. Payment can still be submitted by credit card.**
- Beginning August 1st, filers with sales in the City of Myrtle Beach will collect a 1% Tourism Development tax. This tax will be reported on DOR eSales for returns period covered August, 2009. For more information click here to see the notice on Myrtle



**SOUTH CAROLINA DEPARTMENT OF REVENUE**  
**Sales and Use Tax System**

**Start Over**

**Help**

**Contact DOR**



DOR-eSALES supports both 40-bit and 128-bit browser encryption. However, we strongly recommend the use of 128-bit encryption, the highest level of protection possible for Internet communications including credit card transactions.

Please also note that in order to safeguard your personal information whenever you access DOR-eSALES from a computer that's not your own, make sure you exit or quit the browser after you are finished. This prevents anyone else from seeing your personal information.

If you have additional questions, please contact Electronic Services at (803) 896-1850.

**Continue**



## SOUTH CAROLINA DEPARTMENT OF REVENUE Sales and Use Tax System


[Login](#)  
[New User](#)  
[Contact DOR](#)


### Login

Please login to access the application. Returning users can login through the User Name and Password fields supplied below. New users can create an account through the New User link on the left side of the page.

\* User Name :  ?


\* Password :  ?

 Login

 Change Password

[Forgot User Name?](#)

[Forgot Password?](#)

 Did you know that you can now use your DOR (Department of Revenue) login id to access SCBOS? You can also use your SCBOS login to access DOR e-applications.





**SOUTH CAROLINA DEPARTMENT OF REVENUE**  
**Sales and Use Tax System**

Welcome  
Cathy McLain

[Logout](#)

[Manage  
User Profile](#)

[Manage  
Secret Questions](#)

[Contact DOR](#)



**Welcome**

Welcome! You have successfully logged in to the SCBOS Applications.

Please select the application from the list below that you would like to begin using. If you would like to alter your profile information before using the application, please choose either the "Manage User Profile" or "Manage Secret Questions" links.





**SOUTH CAROLINA DEPARTMENT OF REVENUE**  
**Sales and Use Tax System**

**Start Over**

**Help**

**Contact DOR**

**Filing Steps**

Welcome

Sales

Max Tax

DME

Accommodations

Local Taxes  
Food Tax

Submit Tax Return

Payment

Final Confirmation

Survey

**Welcome**

**Enter the period ended for your return. ?**

- 2009 \*

**Next >**

\* - Required field.



**SOUTH CAROLINA DEPARTMENT OF REVENUE**  
**Sales and Use Tax System**

**Start Over**

**Help**

**Contact DOR**

**Filing Steps**

Welcome

Sales

Max Tax

DME

Accommodations

Local Taxes

Food Tax

Submit Tax Return

Payment

Final Confirmation

Survey

**Welcome**

**Enter the Retail License Number for this Location. ?**

-  \*

**Next >**

\* - Required field.





**SOUTH CAROLINA DEPARTMENT OF REVENUE**  
**Sales and Use Tax System**

**Start Over**

**Help**

**Contact DOR**

**Filing Steps**

Welcome

Sales

Max Tax

DME

Accommodations

Local Taxes

Food Tax

Submit Tax Return

Payment

Final Confirmation

Survey

**Welcome**

Retail License:

Location Name:

Street Address:

County: 07 - BEAUFORT

Municipality: 2074

**Is this the location for the return?** ☐

☒ Yes

☐ No

**Next >**



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**Sales**

Location License:

Period: 01/2010

Location Name:

**Enter 6% Sales & Use Tax Information**



Note: Enter whole dollars only.

1. Gross Proceeds of Sales/Rentals and Withdrawals of  
Inventory for Own Use

\*

2. Out of State Purchases Subject to Use Tax

\*

3. Total (Sum of Line 1 and Line 2)

0

**Next >**

\* - Required field.



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**Sales**

Location License:

Period: 01/2010

Location Name:

**Do you have any Deductions or Subtractions for  
your Sales Return? ?**

☐ Yes

☐ No

**Next >**



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**Sales**

Location License:

Period: 01/2010

Location Name:

**Enter deduction or subtraction information and  
select Next. ?**

Note: Enter whole dollars only.

**Type of Deduction or Subtraction**

Cash Discounts \*

**Amount of Deduction or Subtraction**

12500 \*

**Next >**

\* - Required field.



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**Sales**

Location License:

Period: 01/2010

Location Name:

**You entered these deductions and subtractions**

Deduction or Subtraction	Amount	
Cash Discounts	12500	<a href="#">Delete</a>

**Total Deductions and Subtractions  
Entered**

12500

**Do you want to enter another deduction? \*** [?](#)

☐ Yes

☐ No

[Next >](#)

\* - Required field.





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**Sales**

Location License:

Period: 01/2010

Location Name:

**Enter the Taxpayer's Discount ?**

Note: Enter whole dollars only.

p

**Next >**



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**Submit Tax Return**

**Do you want to file for another location?**

☐ Yes

☐ No

**Next >**



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**Submit Tax Return**

Before you provide authorization for this return, please be sure the following answers you provided are correct.

Remember that once you submit this return here, you will not be able to change it Online.

Once all the information is correct, fill out the authorization information below and submit the return information.

License #	Location Name	Total Due	
		123	<a href="#">Details</a>

**Grand Total due today \$123.00**

**I CERTIFY THAT ALL INFORMATION ON THIS RETURN IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE. ?**

**Taxpayer/Business Name\***

**Enter Your Name\***

**Enter Your Phone Number\*** (including area code)

 (  )  - 

**Enter Your E-mail**





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**Payment**

**Which payment method would you prefer ?**

- ☐ Credit Card Payment
- ☐ Electronic Funds Withdrawal

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**Payment**

**Continue with your EFW information.**

Electronic Funds Withdrawal, or EFW, is a method of allowing us to withdraw a payment directly from your checking or savings account.

The following EFW information is needed in order to complete the online payment:

- A routing transit number
- A valid bank account number to attribute withdrawal

These numbers are normally located on the bottom of your check.

You will also be asked to supply your SSN or FEI(Federal Identification Number) in order for us to group all your payments together.

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**Submit Tax Return**

**Continue with your Credit Card Payment.**

We will ask you to make your payment with either a (*Visa*, or *MasterCard*). When you press "NEXT", we will transfer you to the credit card processing page.

After you have completed the credit card process, please press "RETURN" from the credit card transaction page to receive your Confirmation Number.



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### Payment

#### Payment Information

Your total fee will be **\$123**. Please enter your payment information and click on the Finalize Your Pay button below.

#### Electronic Funds Withdrawal Information

Enter an Identification Number (preparer's) to be associated with the transaction sent to the bank.

**Federal Identification Number\*\***

 - 

**Social Security Number\*\***

 -  - 

[Social Security Privacy Act Disclosure](#)

Supply information for the bank account to be affected. Re-key any account information that you are unsure of.

For security purposes, the last 4 digits of the bank account number are shown preceded by an arbitrary number of asterisks (\*).

**Routing Transit Number\*** (9 Digit No)

**Bank Account Number\*** (1-17 Digit No)

**Account Type\***

☒ Checking ☐ Savings

**Transaction Amount**

☒ Trusted

What banking information do you want to use in the future?

- ☒ Use the above banking information whenever user-id [REDACTED] makes a payment for any file number included in this payment.
- ☐ Leave banking information the same as it was before making this payment.

**Date Set for Money to be Withdrawn\***

01/05/2010

\* indicates a required field

\*\* indicates at least one of the two fields is required

Submission of my account information is authorization that (1) the South Carolina Department of Revenue and its designated financial agents initiate an Electronic Funds Withdrawal (payment) entry to my financial institution account designated for payment of my South Carolina taxes owed, and (2) my financial institution to debit the entry to my account. I also authorize the financial institutions involved in the processing of my electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to my payment.

Under the items of this authorization, I can revoke this authorization by contacting the South Carolina Department of Revenue at (803) 896-1850 prior to 3PM (ET) on the business day preceding the withdrawal / settlement date..

Finalize Your Pay





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### Confirmation

Thank you for paying with DOR eSales. Your confirmation number is **1666388872**. Please keep this number for future correspondence.

Please allow 2 business days for your information to be processed.

Note: For Electronic Funds Transfer (EFW) Payments Only

The above confirmation number is to confirm that your return and/or payment information has been received by the South Carolina Department of Revenue. However, this doesn't mean your payment has been received successfully from your banking institution. Please check your bank statement to insure that the payment has been taken from your account.

Regardless of activity, you must file a monthly sales tax return beginning with the effective opening date of the account.

[Printable Summary](#)

[Next >](#)

Note: The Printable Summary will appear in a separate "pop-up" window. Some pop-up blocking software may prevent the window from appearing.

[Privacy Statement](#)



**For your records only.**  
Do NOT send this document to the Department of Revenue.

File:

SID:

Period: January 2010

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### 6% Sales and Use Tax

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Gross Proceeds of Sales, Rentals, Use Tax And Withdrawals for Own Use	12500
Total Amount of Deductions	12500
Net Taxable Sales	0
Tax	0
Taxpayer's Discount	0
Sales and Use Tax Net Amount Payable	0
Penalty and Interest	0
Total Sales and Use Tax Due	0

---

### Accommodations Tax

---

Gross Proceeds of Sales from the Rental of Transient Accommodations	0
Total Amount of Deductions	0
Net Taxable Sales	0
Tax	0
Taxpayer's Discount	0
Accommodations Net Amount Payable	0
Penalty and Interest	0
Total Accommodations Tax Due	0

---

### Local and Unprepared Food Tax

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Total Local and Unprepared Food Taxes Due

123

Total of all Taxes Due

123

END OF PAGE



**For your records only.**

Do NOT send this document to the Department of Revenue.

**School Dist/Education Cap Improvements**

Municipality	Net Taxable	Tax	Discount	Net Tax
5131 - SCHOOL DISTRICT TAX - CHESTERFIELD (1%)	12500	125	2	123

Total Local and Unprepared Food Tax Due

123

END OF PAGE



**For your records only.**

Do NOT send this document to the Department of Revenue.

**Payment Information**

Confirmation Code

Taxpayer/Business Name

Prepared by

Preparer's Phone

Preparer's Email

Payment \ Settlement Date

END OF PAGE

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1/5/2010



## Responses of State Survey

State	Electronic	ACH Debit	ACH Credit	Upload	Transaction posted seperately	Other
NE	X	X	X		X	
NC	X	X	X		X	
VA	X	X	X	X	X	
MO	X	X	X			Returns are not filed electronically
FL	X	X	X	X	X	
ID	X	X	X		X	
PA	X	X	X	X	X	
WI	X	X	X		X	
IA	X	X	X	X	X	
NY	X	X	X			Processed through Lockbox
OH	X	X	X		X	
HI	X	X	X		X	

**Survey Questions:**

1. Do you currently have an electronic system that allows taxpayers to file and/or pay online?
2. If so, can you give a brief description as to how the system works?
3. What taxes do you allow them to file or pay electronically?
4. Do the taxpayers make the payments at the time they file their returns or is that a separate transactions?
5. Does your state accept ACH credit and ACH debit transactions?
6. How does the payment and return post to the taxpayer's account? Is it a separate transaction for the payment and return or do they post as a single transaction?
7. Are taxpayers allowed to pay electronically and send a paper return or send a paper check and file an electronic return?
8. Does your website have upload capabilities or does the taxpayer key the information?
9. If further contact is needed, could you please provide the name, phone number and email address of the appropriate person?

**Allison McLendon**

---

**From:** efile@lists.taxadmin.org on behalf of Chapman, Larry [larry.chapman@nebraska.gov]  
**Sent:** Thursday, December 10, 2009 10:45 AM  
**To:** Efile  
**Cc:** Sloup, Len; Catlin, Brian ; Sookram, Gupta  
**Subject:** FTA Efile List:RE: Electronic Filing Payment/Return Survey

Allison, here are Nebraska's responses.

1. Do you currently have an electronic system that allows taxpayers to file and/or pay online?

RESPONSE: Yes.

2. If so, can you give a brief description as to how the system works?

RESPONSE: Payments and filings are done separately. The state's ACH processing bank offers online and IVR applications for originating debit ACH tax payments. Taxpayers are not required to register with us to use it. They need only to be a licensed business on our BMF. The state's internal IT services hosts business tax e-file applications. Access is allowed through a state-supplied PIN.

3. What taxes do you allow them to file or pay electronically?

RESPONSE: We support EFT for sales and use, withholding, corporate, motor fuels and individual income. We have state-offered e-file programs for sales and use, withholding, and individual income. We support an EDI filing program for motor fuels.

4. Do the taxpayers make the payments at the time they file their returns or is that a separate transactions?

RESPONSE: Our business tax online filing applications allow the user to link to our E-pay (EFT) system, however, these would be separate transactions.

5. Does your state accept ACH credit and ACH debit transactions?

RESPONSE: Yes.

6. How does the payment and return post to the taxpayer's account? Is it a separate transaction for the payment and return or do they post as a single transaction?

RESPONSE: These post as separate transactions.

7. Are taxpayers allowed to pay electronically and send a paper return or send a paper check and file an electronic return?

RESPONSE: Yes, either way. Note that we have mandates for EFT, so while allowed, the taxpayer could be assessed a penalty for sending in a paper check.

8. Does your website have upload capabilities or does the taxpayer key the information?

RESPONSE: Taxpayers enter the payment and filing data.

9. If further contact is needed, could you please provide the name, phone number and email address of the appropriate person?

RESPONSE: You may contact myself or Brian Catlin at [brian.catlin@nebraska.gov](mailto:brian.catlin@nebraska.gov).

Larry L. Chapman  
 E-file and E-Pay Coordination  
 Applications Developer Senior  
 Nebraska Department of Revenue  
 (402) 471-5619  
[larry.chapman@nebraska.gov](mailto:larry.chapman@nebraska.gov)

---

**From:** [efile@lists.taxadmin.org](mailto:efile@lists.taxadmin.org) [mailto:[efile@lists.taxadmin.org](mailto:efile@lists.taxadmin.org)] **On Behalf Of** Allison McLendon  
**Sent:** Monday, November 30, 2009 10:59 AM  
**To:** [efile@lists.taxadmin.org](mailto:efile@lists.taxadmin.org)  
**Cc:** Allison McLendon  
**Subject:** FTA Efile List:Electronic Filing Payment/Return Survey

The South Carolina Department of Revenue is gathering data for the acceptance of ACH Credit payments and electronic returns submitted as separate transactions. Thank you in advance for your response and time.

10. Do you currently have an electronic system that allows taxpayers to file and/or pay online?
11. If so, can you give a brief description as to how the system works?
12. What taxes do you allow them to file or pay electronically?
13. Do the taxpayers make the payments at the time they file their returns or is that a separate transactions?
14. Does your state accept ACH credit and ACH debit transactions?
15. How does the payment and return post to the taxpayer's account? Is it a separate transaction for the payment and return or do they post as a single transaction?
16. Are taxpayers allowed to pay electronically and send a paper return or send a paper check and file an electronic return?
17. Does your website have upload capabilities or does the taxpayer key the information?
18. If further contact is needed, could you please provide the name, phone number and email address of the appropriate person?

Thanks,

*Allison O. McLendon*

Allison O. McLendon  
 Supervisor, Electronic Services A  
 SC Department of Revenue  
 PO Box 125  
 Columbia, SC 29214  
 (803) 896-1778  
[mcLenda@sctax.org](mailto:mcLenda@sctax.org)

**Allison McLendon**

---

**From:** Bernita Shepard [Bernita.Shepard@dornc.com]  
**Sent:** Thursday, December 03, 2009 11:18 AM  
**To:** Allison McLendon  
**Cc:** Cindy Mallard; Drucilla Minifield; Lei Satterfield; Sharon Tanner  
**Subject:** Fwd: Efile Digest - 11/30/09  
**Attachments:** South Carolina- electronic payment Questions.docx

Allison,  
Please see attach responses from North Carolina.

>>> "Efile" <efile@lists.taxadmin.org> 11/30/2009 8:00 PM >>>  
Efile Digest - Monday, November 30, 2009

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Subject: Electronic Filing Payment/Return Survey  
From: "Allison McLendon" <MCLEND@tax.org>  
Date: Mon, 30 Nov 2009 11:59:11 -0500

The South Carolina Department of Revenue is gathering data for the acceptance of ACH Credit payments and electronic returns submitted as separate transactions. Thank you in advance for your response and time.

1. Do you currently have an electronic system that allows taxpayers to file and/or pay online?

2. If so, can you give a brief description as to how the system works?

3. What taxes do you allow them to file or pay electronically?

4. Do the taxpayers make the payments at the time they file their returns or is that a separate transactions?

5. Does your state accept ACH credit and ACH debit transactions?

6. How does the payment and return post to the taxpayer's account?  
Is it a separate transaction for the payment and return or do they post as a single transaction?

7. Are taxpayers allowed to pay electronically and send a paper return or send a paper check and file an electronic return?

8. Does your website have upload capabilities or does the taxpayer key the information?

9. If further contact is needed, could you please provide the name, phone number and email address of the appropriate person?

Thanks,

Allison O. McLendon

Allison O. McLendon

Supervisor, Electronic Services A

SC Department of Revenue

PO Box 125

Columbia, SC 29214

(803) 896-1778

allenda@sctax.org

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E-Mail correspondence to and from this sender may be subject to the  
N Carolina Public Records Law, and may be disclosed to third parties.  
-----

1. Do you currently have an electronic system that allows taxpayers to file and/or pay online?

Yes, there are several ways they are allowed to file and /or pay online which are:

E-Business Center (this requires a user name and password, but banking information can be stored and history is available) (By-Bank Draft or Credit Card, Returns are filed)

- Online Filing and Payment System  
(By-Bank Draft or Credit Card, Returns are filed) (does not require user name and password, no storage capabilities or history)
- Electronic Funds Transfer System  
(ACH Credit and ACH Debit payment methods)

2. If so, can you give a brief description as to how the system works?

**E-Business Center: (also internal system)**

- Taxpayers would have to register their business, request a user ID and password from NCID (North Carolina Identity Management Service), in order to use the E-business system and to submit whatever taxes they wish to file / and or pay online.
- Taxpayers are able to initiate their own payments through this system.
- There is no additional processing fees applied for Bank Draft payments, but for Credit/ Debit card; \$2.00 for every \$100.00 increment of their tax payment.
- Secure login, ability to store information for future payments, view returns and payments filed; share access to employees and professional (such as attorneys and accountants), ability to cancel payments, and ability to warehouse payments.
- Payment deadlines; 5:30pm, ET on business day before the payment is due.
- Warehousing up to 60 days also available.

**Online Filing and Payment System:**

- Online via Department of Revenue website, where they are able to go on line and submit payments by bank draft or credit card. They are also able to file their returns.
- Warehousing up to 60 days also available.
- There is no additional processing fees applied for Bank Draft payments, but for Credit/ Debit card; \$2.00 for every \$100.00 increment of their tax payment.
- Payment deadlines; 5:30pm, ET on business day before the payment is due.

**Motor Fuels Tracking System:**

- Allow taxpayers to file their returns and pay online via the web.



### **Electronic Funds Transfer System:**

- There are two payment methods acceptable to the department, which is; ACH Debit and ACH Credit.
- **ACH Debit**; a taxpayer authorizes a third party vendor to serve as our Data Collections Center (DCC ) to electronically transfer tax payments from their bank account to the Department's bank account. The transfer is made by contacting the DCC via touch-tone, Voice (phone). PC Software (10 or more taxpayers). The Department will supply the DCC with the tax and bank account information furnished on their Electronic Funds Transfer Authorization Agreement (EFT-100D). DCC will record the information in their database and mail a password directly to taxpayer. Taxpayer will use the password to communicate payment information to DCC. This ensures that only the taxpayer has the capability to authorize debits against its bank account.
- **ACH Credit**; allows taxpayers to transfer funds by instructing their financial Institution to debit their account and credit the Department's bank account. To obtain prior approval, taxpayers must submit an Electronic Funds Transfer Authorization Agreement (EFT-100C) providing the necessary information to register. Taxpayers are responsible for the cost of their ACH Credit transactions.

### 3. What taxes do you allow them to file or pay electronically?

Withholding      Sales & Use  
Machinery, Equipment, & Manufacturing Fuel  
Utility and Liquor sales & Use      Corporate Estimated  
Utilities Franchise      Tobacco products      Alcoholic Beverage  
Piped natural Gas      Motor Fuels      Insurance Premium  
Streamlined Sale & Use      Notice Payments      Corporate Extension  
Corporate Current year Franchise & Corporate Income Amended  
Individual Estimated      Individual Income Extension  
Individual Income (current year and amended payments for both current year and prior year)

### 4. Do the taxpayers make the payments at the time they file their returns or is that a separate transactions?

- The transactions are separated. It could be done either way. Paying by EFT does not change the filing requirements or due date for tax returns that are required to be filed. Even if a payment is made via electronically, and the return is required, but is not submitted, the account will become delinquent.

5. Does your state accept ACH credit and ACH debit transactions?

- Yes... both

6. How does the payment and return post to the taxpayer's account?

Is it a separate transaction for the payment and return or do they post as a single transaction?

- They both will post as a separate transaction.

7. Are taxpayers allowed to pay electronically and send a paper return or send a paper check and file an electronic return?

- If they are required to remit payment electronically, they are still required to timely file required return, whether it's by mail or online. Motor Fuels taxpayers that choose to pay electronically are also required to pay electronically.

8. Does your website have upload capabilities or does the taxpayer key the information?

- No..... the taxpayer would need to key their information into the appropriate systems they are submitting each payment for. However, for Sales and Use Tax, we do offer EDI. We are currently in the beginning stages of looking into other upload capabilities. Our first project will probably be the withholding reconciliation form and the wage and tax statements and 1099 information.

9. If further contact is needed, could you please provide the name, phone number and email address of the appropriate person?

- Name : Bernita Shepard Data Capture/ EFT Assistant Manager
- Phone : 919-733-4250
- Email : [Bernita.Shepard@dorn.com](mailto:Bernita.Shepard@dorn.com)

**Allison McLendon**

---

**From:** efile@lists.taxadmin.org on behalf of Wilson, Nancy (TAX) [Nancy.Wilson@tax.virginia.gov]  
**Sent:** Thursday, December 03, 2009 9:24 AM  
**To:** Efile  
**Cc:** Higgins, Patti (TAX)  
**Subject:** RE: FTA Efile List:Electronic Filing Payment/Return Survey

Virginia's response is below.

Thank you

*Nancy M. Wilson*  
*Manager, Automated Processing Systems*  
*Virginia Dept. of Taxation*  
*804-367-8473*  
*nancy.wilson@tax.virginia.gov*

---

**From:** efile@lists.taxadmin.org [mailto:efile@lists.taxadmin.org] **On Behalf Of** Allison McLendon  
**Sent:** Monday, November 30, 2009 11:59 AM  
**To:** efile@lists.taxadmin.org  
**Cc:** Allison McLendon  
**Subject:** FTA Efile List:Electronic Filing Payment/Return Survey

The South Carolina Department of Revenue is gathering data for the acceptance of ACH Credit payments and electronic returns submitted as separate transactions. Thank you in advance for your response and time.

1. Do you currently have an electronic system that allows taxpayers to file and/or pay online? Virginia offers taxpayers a number of options for filing and paying taxes electronically. Individual and corp e-file allows taxpayers to pay on-line via credit card at officialpayments.com. VATAX online also accepts payments electronically. In addition, returns may be filed using on-line programs, including VATAX Individual iFile to file returns and pay tax dues on-line. EFT is also available for corp e-file. Taxpayers can file and pay taxes using the VATAX Business iFile as well as Web Upload. Both Sales tax and Withholding tax can be paid as a debit EFT transaction using these systems. In addition, business bills may be paid using a program called Quick Pay or by making a credit card payment online using Officialpayments.com.
2. If so, can you give a brief description as to how the system works? Taxpayers may file electronically and opt for electronic debit from checking/savings account for Individual e-file. They may file electronically and then pay by credit card at officialpayments.com. They may file electronically and make payments via VATAX website. They may file electronically and make payments via EFT for corp e-file. Business iFile allows taxpayers to submit return and payment information for Sales tax and Withholding returns. Business iFile prompts taxpayers to enter return and payment information. Web Upload allow users to upload return and/or payment information as a bulk upload process. Payments made for both Business iFile as well as Web Upload are a Debit ACH Transaction.
3. What taxes do you allow them to file or pay electronically? Taxpayers may file Individual, Sales, Withholding and

misc business electronically. Taxpayers can make electronic payments for Individual, Sales, Withholding, misc business and corporate taxes. In addition, in early 2010, corporate returns will be accepted electronically through eFile and Virginia's Web Upload will begin accepting W-2 and 1099R information.

4. Do the taxpayers make the payments at the time they file their returns or is that a separate transactions? They may be made at the same time or separately. Virginia online programs also offers warehousing of payments until the due date.
5. Does your state accept ACH credit and ACH debit transactions? Individual e-file supports both credit and debit transactions. Corp e-file will not support credit or debit transactions the first year. Web Upload and Business iFile support ACH debit transactions through the programs. ACH credit payments, however, can be made independent of the systems and match up with return information being submitted through the programs.
6. How does the payment and return post to the taxpayer's account? Is it a separate transaction for the payment and return or do they post as a single transaction? Returns and payments post as separate transactions.
7. Are taxpayers allowed to pay electronically and send a paper return or send a paper check and file an electronic return? Taxpayers can file returns electronically and pay with a paper check. Taxpayers can also file paper returns and pay electronically. The Web Upload program is the one exception, filers may not submit returns through Web Upload and then send a paper check. They must pay through ACH.
8. Does your website have upload capabilities or does the taxpayer key the information? Depending upon the program, both capabilities are available.
9. If further contact is needed, could you please provide the name, phone number and email address of the appropriate person? For information on individual and corporate please contact Tina Thoummarath, [tina.thoummarath@tax.virginia.gov](mailto:tina.thoummarath@tax.virginia.gov). For information on submitting Sales tax and Withholding information electronically, contact [Debbie.Wilkinson@tax.virginia.gov](mailto:Debbie.Wilkinson@tax.virginia.gov).

Thanks,

*Allison O. McLendon*

Allison O. McLendon  
 Supervisor, Electronic Services A  
 SC Department of Revenue  
 PO Box 125  
 Columbia, SC 29214  
 (803) 896-1778  
[mclenda@sctax.org](mailto:mclenda@sctax.org)

**Allison McLendon**


---

**From:** Werdehausen, Katy [KATY.WERDEHAUSEN@dor.mo.gov]  
**Sent:** Wednesday, December 02, 2009 4:49 PM  
**To:** Allison McLendon  
**Subject:** RE: FTA Efile List:Electronic Filing Payment/Return Survey

Allison,  
 Missouri responses are below.

**Katy Werdehausen**  
**Electronic Filing Coordinator**  
**Missouri Department of Revenue**  
**(573) 522-4300**

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**From:** efile@lists.taxadmin.org [mailto:efile@lists.taxadmin.org] **On Behalf Of** Allison McLendon  
**Sent:** Monday, November 30, 2009 10:59 AM  
**To:** efile@lists.taxadmin.org  
**Cc:** Allison McLendon  
**Subject:** FTA Efile List:Electronic Filing Payment/Return Survey

The South Carolina Department of Revenue is gathering data for the acceptance of ACH Credit payments and electronic returns submitted as separate transactions. Thank you in advance for your response and time.

1. Do you currently have an electronic system that allows taxpayers to file and/or pay online? Yes
2. If so, can you give a brief description as to how the system works? Our online payment system is through a third party vendor. Taxpayer logs on using their Missouri Tax ID number or SSN, they have the ability to pay by credit card or e-check.

We also have an online system that allows taxpayers to file zero Withholding tax returns or file their monthly reconciliation of payments made through ACH credit or through the above payment system.

3. What taxes do you allow them to file or pay electronically? Withholding (pay weekly payments or file and pay monthly, quarterly or annually), Sales (pay only), Individual (pay only), Corporate (pay only), Tire/Battery (file and pay together), Tobacco (pay only), Motor Fuel (pay only).
4. Do the taxpayers make the payments at the time they file their returns or is that a separate transactions? Monthly,

Quarterly and Annual Withholding tax payments and Tire/Battery return payments files the return at the same time, the rest are payment only.

5. Does your state accept ACH credit and ACH debit transactions?  
We offer ACH debit in the form of an E-check for Individual, Withholding, Sales, Corporate, Tire and Battery, Tobacco and Motor Fuel. We allow ACH credit for Withholding, Sales and Corporate.
6. How does the payment and return post to the taxpayer's account? Is it a separate transaction for the payment and return or do they post as a single transaction?  
Post as a single transaction
7. Are taxpayers allowed to pay electronically and send a paper return or send a paper check and file an electronic return?  
Yes they can pay electronically and send a paper return except for Weekly Withholding filers, they are required to file electronically; Only Individual and Corporate returns filed electronically through the Fed/State program can send paper checks and file electronically.
8. Does your website have upload capabilities or does the taxpayer key the information? Keyed
9. If further contact is needed, could you please provide the name, phone number and email address of the appropriate person? Katy Werdehausen, (573) 522-4300, [katy.werdehausen@dor.mo.gov](mailto:katy.werdehausen@dor.mo.gov)

Thanks,

*Allison O. McLendon*

Allison O. McLendon  
Supervisor, Electronic Services A  
SC Department of Revenue  
PO Box 125  
Columbia, SC 29214  
(803) 896-1778  
[mclenda@sctax.org](mailto:mclenda@sctax.org)

**Allison McLendon**

**From:** Deborah Moerlins [MOERLIND@dor.state.fl.us]  
**Sent:** Wednesday, December 02, 2009 9:14 AM  
**To:** Audit@lists.taxadmin.org; Allison McLendon  
**Cc:** Kanut Khosla; Frances Oven  
**Subject:** FTA Efile List:Electronic Filing Payment/Return Survey - Florida's response

Florida's response below.

>>> "Allison McLendon" <MCLEND@scotax.org> 11/30/2009 11:59 AM >>>

The South Carolina Department of Revenue is gathering data for the acceptance of ACH Credit payments and electronic returns submitted as separate transactions. Thank you in advance for your response and time.

1. Do you currently have an electronic system that allows taxpayers to file and/or pay online?

Yes.

2. If so, can you give a brief description as to how the system works?

Florida has multiple applications with many features. Please feel free to contact Kanut Khosla at (850) 922-2778 for further detail or you may visit our website at <http://dor.myflorida.com/dor/eservices/>.

3. What taxes do you allow them to file or pay electronically?

Taxpayers can file sales and use tax, solid waste fees, unemployment tax, corporate income tax, communications services tax, gross receipts tax, and fuel taxes electronically. All taxes can be paid via electronic means.

4. Do the taxpayers make the payments at the time they file their returns or is that a separate transactions?

Electronic payments can be initiated with an electronic tax return and may also be made in a separate transaction.

5. Does your state accept ACH credit and ACH debit transactions?

Yes.

6. How does the payment and return post to the taxpayer's account? Is it a separate transaction for the payment and return or do they post as a single transaction?

They post as separate transactions.

7. Are taxpayers allowed to pay electronically and send a paper return or send a paper check and file an electronic return?

Some taxpayers are allowed to pay electronically and send a paper return. It is rare that we receive a paper check with a corresponding electronic return.

8. Does your website have upload capabilities or does the taxpayer key the information?

Some offer both, some only offer a keying option at this time.

- If further contact is needed, could you please provide the name, phone number and email address of the appropriate person?

Kanut J. Khosla  
(850) 922-2778  
[khoslak@dor.state.fl.us](mailto:khoslak@dor.state.fl.us)

or

Frances H. Oven  
(850) 487-8340  
[ovenf@dor.state.fl.us](mailto:ovenf@dor.state.fl.us)

Thanks,

*Allison O. McLendon*

Allison O. McLendon  
Supervisor, Electronic Services A  
SC Department of Revenue  
PO Box 125  
Columbia, SC 29214  
(803) 896-1778  
[mclenda@sctax.org](mailto:mclenda@sctax.org)

***NOTIFICATION TO RECIPIENTS*** : If you have received this e-mail in error, please notify us immediately by return e-mail. If you receive a Florida Department of Revenue communication that contains personal or confidential information, and you are not the intended recipient, you are prohibited from using the information in any way. All record of any such communication (electronic or otherwise) should be destroyed in its entirety.

*Cautions on corresponding with Revenue by e-mail:*

*Under Florida law, e-mails received by a state agency are public records. Both the message and the e-mail address it was sent from (excepting any information that is exempt from disclosure under state law) may be released in response to a public records request.*



**Allison McLendon**

**From:** efile@lists.taxadmin.org on behalf of Dawn Glazier [dawn.glazier@tax.idaho.gov]  
**Sent:** Tuesday, December 01, 2009 10:36 AM  
**To:** Efile  
**Subject:** FW: FTA Efile List:Electronic Filing Payment/Return Survey

Response from Idaho

**From:** efile@lists.taxadmin.org [mailto:efile@lists.taxadmin.org] **On Behalf Of** Allison McLendon  
**Sent:** Monday, November 30, 2009 9:59 AM  
**To:** efile@lists.taxadmin.org  
**Cc:** Allison McLendon  
**Subject:** FTA Efile List:Electronic Filing Payment/Return Survey

The South Carolina Department of Revenue is gathering data for the acceptance of ACH Credit payments and electronic returns submitted as separate transactions. Thank you in advance for your response and time.

1. Do you currently have an electronic system that allows taxpayers to file and/or pay online? Yes.
2. If so, can you give a brief description as to how the system works? File: Taxpayer enrolls with a third party provider, obtaining a pin and password. While on the third party provider site they may pay via Credit Card or E-Check (a version of ACH Debit). If they wish to pay via ACH Debit they are redirected to another third party provider. The taxpayer must also enroll with the ACH Debit third party provider. They may also access the ACH Debit third party provider directly.
3. What taxes do you allow them to file or pay electronically?
  - File: Individual and Business (Corporation, partnership, S Corporation) Income tax returns.  
 1099's and Information Returns  
 Withholding  
 Sales -Related Tax Returns  
 Business Unclaimed Property  
 IFTA
  - Payment:
    - Business and Corporate Income
    - Mine License
    - Unclaimed Property
    - Kilowatt Hour
    - Estate
    - Individual Income
    - Withholding
    - Individual Unclaimed Property
    - Sales
    - Nez Perce County
    - Greater Boise Auditorium
    - Fuel Distributor
    - IFTA
    - Wine
    - Beer
    - Cigarette

Tobacco  
Travel & Convention

4. Do the taxpayers make the payments at the time they file their returns or is that a separate transactions? They may do it either way. They are separate transactions but once the return is filed, they can click on a link to make the payment or they can initiate the payment at a different time. Some tax payments do not require a return if the payment is made electronically.
5. Does your state accept ACH credit and ACH debit transactions? Yes
6. How does the payment and return post to the taxpayer's account? Is it a separate transaction for the payment and return or do they post as a single transaction? They post as separate transactions.
7. Are taxpayers allowed to pay electronically and send a paper return or send a paper check and file an electronic return? Yes, they are allowed to do it either way.
8. Does your website have upload capabilities or does the taxpayer key the information? No. The taxpayer must key the information in to the appropriate system for each payment.
9. If further contact is needed, could you please provide the name, phone number and email address of the appropriate person? File: [efilehelp@tax.idaho.gov](mailto:efilehelp@tax.idaho.gov) Pay: Julie Smith ([JSmith@tax.idaho.gov](mailto:JSmith@tax.idaho.gov) 334-7528)

Thanks,

*Allison O. McLendon*

Allison O. McLendon  
Supervisor, Electronic Services A  
SC Department of Revenue  
PO Box 125  
Columbia, SC 29214  
(803) 896-1778  
[mclenda@sctax.org](mailto:mclenda@sctax.org)

**Allison McLendon**

---

**From:** efile@lists.taxadmin.org on behalf of Curtis, Doreen [dcurtis@state.pa.us]  
**Sent:** Tuesday, December 01, 2009 9:54 AM  
**To:** 'Efile'  
**Cc:** Roberts, Danette  
**Subject:** FTA Efile List:RE: Electronic Filing Payment/Return Survey

Hello Allison – Here are PA's responses:

1. Do you currently have an electronic system that allows taxpayers to file and/or pay online? Yes, currently we provide the e-TIDES Internet Filing System for business taxes.
2. If so, can you give a brief description as to how the system works? Clients create a Unique User ID and Password that identifies them on the system next they register the tax type/types to file (Sales, Use and Hotel Occupancy, Employer Withholding, and some Corporation Taxes). Once registered they are ready to file/pay online.
3. What taxes do you allow them to file or pay electronically? Online we allow for Sales, Use and Hotel Occupancy, Employer Withholding, and some Corporation Taxes. Electronically, we allow payment for all of the above along with all Corporate Taxes, Liquid Fuels and Fuels Use Tax, Motor Carriers Road Tax, Malt Beverage, and Cigarette Tax.
4. Do the taxpayers make the payments at the time they file their returns or is that a separate transactions? Depending on the tax type and process used.
5. Does your state accept ACH credit and ACH debit transactions? Yes, we also accept Credit Card, and TeleFile payments for some tax types.
6. How does the payment and return post to the taxpayer's account? We create a file identifying the tax type, account number, period start and end date, along with the period due date and pass this information to the mainframe and parse out the information needed for the bank file. Is it a separate transaction for the payment and return or do they post as a single transaction? Each is a separate transaction.
7. Are taxpayers allowed to pay electronically and send a paper return or send a paper check and file an electronic return? Yes, although we try to discourage the paper process we do accept them.
8. Does your website have upload capabilities or does the taxpayer key the information? Yes, we have both manual and upload capabilities, and some direct connect.
9. If further contact is needed, could you please provide the name, phone number and email address of the appropriate person? You may contact either Danette Roberts or Doreen Curtis their contact information is as follows:

Danette Roberts  
717-705-2131  
[danroberts@state.pa.us](mailto:danroberts@state.pa.us)

Doreen Curtis  
717-787-4882  
[dcurtis@state.pa.us](mailto:dcurtis@state.pa.us)

**Doreen Curtis** | Research Analyst  
PA Department of Revenue  
Planning and Program Management Office  
9th Floor Strawberry Sq | Harrisburg, PA 17128  
Phone: 717.787.4882 | Fax: 717.772.4805  
[dcurtis@state.pa.us](mailto:dcurtis@state.pa.us)  
[www.revenue.state.pa.us](http://www.revenue.state.pa.us)

-----Original Message-----

**From:** [efile@lists.taxadmin.org](mailto:efile@lists.taxadmin.org) [mailto:[efile@lists.taxadmin.org](mailto:efile@lists.taxadmin.org)] **On Behalf Of** Allison McLendon  
**Sent:** Monday, November 30, 2009 11:59 AM  
**To:** [efile@lists.taxadmin.org](mailto:efile@lists.taxadmin.org)  
**Cc:** Allison McLendon  
**Subject:** FTA Efile List: Electronic Filing Payment/Return Survey

The South Carolina Department of Revenue is gathering data for the acceptance of ACH Credit payments and electronic returns submitted as separate transactions. Thank you in advance for your response and time.

1. Do you currently have an electronic system that allows taxpayers to file and/or pay online?
2. If so, can you give a brief description as to how the system works?
3. What taxes do you allow them to file or pay electronically?
4. Do the taxpayers make the payments at the time they file their returns or is that a separate transactions?
5. Does your state accept ACH credit and ACH debit transactions?
6. How does the payment and return post to the taxpayer's account? Is it a separate transaction for the payment and return or do they post as a single transaction?
7. Are taxpayers allowed to pay electronically and send a paper return or send a paper check and file an electronic return?
8. Does your website have upload capabilities or does the taxpayer key the information?
9. If further contact is needed, could you please provide the name, phone number and email address of the appropriate person?

Thanks,

*Allison O. McLendon*

Allison O. McLendon  
Supervisor, Electronic Services A  
SC Department of Revenue

PO Box 125  
Columbia, SC 29214  
(803) 896-1778  
mclenda@sctax.org

**Allison McLendon**

**From:** Lillge, Cynthia K - DOR (Cindy) [Cynthia.Lillge@revenue.wi.gov]  
**Sent:** Monday, November 30, 2009 4:55 PM  
**To:** Allison McLendon  
**Subject:** FW: Electronic Filing Payment/Return Survey

Wisconsin Department of Revenue's answers:

1. Do you currently have an electronic system that allows taxpayers to file and/or pay online? Yes.
2. If so, can you give a brief description as to how the system works? It's called My Tax Account. Businesses need to register and then, they are able to access their account to: e-file original or amended tax returns, make payments, view and print copies of their tax returns and payment history, update name, address or e-mail, view and print tax notices and correspondence, request extensions to file, request installment payment agreements.
3. What taxes do you allow them to file or pay electronically? Sales and use tax, withholding tax, premier resort tax, local expo tax, rental vehicle fees.
4. Do the taxpayers make the payments at the time they file their returns or is that a separate transactions? They can either make the payment at the time they file or in a separate transaction.
5. Does your state accept ACH credit and ACH debit transactions? Yes, we accept both.
6. How does the payment and return post to the taxpayer's account? Is it a separate transaction for the payment and return or do they post as a single transaction? They post as separate transactions.
7. Are taxpayers allowed to pay electronically and send a paper return or send a paper check and file an electronic return? Yes.
8. Does your website have upload capabilities or does the taxpayer key the information? This depends on where and how the return is being filed. If we are dealing with an individual/business using our web application or using our telefile application, we allow the taxpayer to request direct debits by providing us their bank account information and requested payment amount. They have to do this each time they file a return since we don't require any logon ID or Password to file the return with the requested payment/debit amount. We do offer XML file transmission for Payroll Service Providers, wishing to file Withholding Reports and payment/debit requests, and we also offer this option for employers wishing to make Wage Attachment (Certification) payments for their employees.

If the taxpayer chooses to use our online filing application called My Tax Account, which utilizes a Logon ID and Password, we do keep bank account information for each tax type so the taxpayer does not have to re-enter the information each time they wish to make a payment. We only keep bank account information for the taxpayer if the system they are filing from is password protected using a Log Id and Password.

---

**From:** efile@lists.taxadmin.org [mailto:efile@lists.taxadmin.org] **On Behalf Of** Allison McLendon  
**Sent:** Monday, November 30, 2009 10:59 AM  
**To:** efile@lists.taxadmin.org  
**Cc:** Allison McLendon  
**Subject:** FTA Efile List:Electronic Filing Payment/Return Survey

The South Carolina Department of Revenue is gathering data for the acceptance of ACH Credit payments and electronic returns submitted as separate transactions. Thank you in advance for your response and time.

1. Do you currently have an electronic system that allows taxpayers to file and/or pay online?
2. If so, can you give a brief description as to how the system works?
3. What taxes do you allow them to file or pay electronically?
4. Do the taxpayers make the payments at the time they file their returns or is that a separate transactions?
5. Does your state accept ACH credit and ACH debit transactions?
6. How does the payment and return post to the taxpayer's account? Is it a separate transaction for the payment and return or do they post as a single transaction?
7. Are taxpayers allowed to pay electronically and send a paper return or send a paper check and file an electronic return?
8. Does your website have upload capabilities or does the taxpayer key the information?
9. If further contact is needed, could you please provide the name, phone number and email address of the appropriate person?

Thanks,

*Allison O. McLendon*

Allison O. McLendon  
 Supervisor, Electronic Services A  
 SC Department of Revenue  
 PO Box 125  
 Columbia, SC 29214  
 (803) 896-1778  
 mclenda@sctax.org

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**Allison McLendon**

**From:** efile@lists.taxadmin.org on behalf of Johann, Peter [IDR] [Peter.Johann@iowa.gov]  
**Sent:** Monday, November 30, 2009 1:24 PM  
**To:** Efile  
**Subject:** RE: FTA Efile List:Electronic Filing Payment/Return Survey

Allison, see Iowa's responses below. - Pete

-----Original Message-----

**From:** efile@lists.taxadmin.org [mailto:efile@lists.taxadmin.org] **On Behalf Of** Allison McLendon  
**Sent:** Monday, November 30, 2009 10:59 AM  
**To:** efile@lists.taxadmin.org  
**Cc:** Allison McLendon  
**Subject:** FTA Efile List:Electronic Filing Payment/Return Survey

The South Carolina Department of Revenue is gathering data for the acceptance of ACH Credit payments and electronic returns submitted as separate transactions. Thank you in advance for your response and time.

1. Do you currently have an electronic system that allows taxpayers to file and/or pay online? **Yes**
2. If so, can you give a brief description as to how the system works? **Vendor hosts eFile & Pay app for Iowa Department of Revenue: [www.iowa.gov/tax/business/EFilePayInterim.html](http://www.iowa.gov/tax/business/EFilePayInterim.html). The taxpayer logs in and chooses what to file based on what tax types they'd previously registered for. The app collects data from the taxpayer, validates it, and gives the taxpayer a confirmation number upon completion. The vendor exports transactions daily to the Department. The vendor sends ACH Debit file to the bank directly and a copy to the Department. The Department provides the vendor refreshed registration and payment history data weekly. All taxpayers who eFile through this app are given the option to ePay at the same time; they're not required to do so.**
3. What taxes do you allow them to file or pay electronically? **eFile & ePay: Sales/Use, Withholding, Fuel; ePay only: Individual/Corporation Income Tax**
4. Do the taxpayers make the payments at the time they file their returns or is that a separate transactions? **Either ePay (ACH Debit) at the same time or after they eFile, but not before.**
5. Does your state accept ACH credit and ACH debit transactions? **Yes. ACH Debit is part of the eFile & Pay app, ACH Credit is separate.**
6. How does the payment and return post to the taxpayer's account? Is it a separate transaction for the payment and return or do they post as a single transaction? **When the payment and return are filed simultaneously they are posted together in the web app and the taxpayer is given one confirmation number. They are then split apart prior to loading into the backend system. When the payment and return are filed separately, transactions are given different confirmation numbers, are posted separately, and remain separate throughout processing.**
7. Are taxpayers allowed to pay electronically and send a paper return or send a paper check and file an electronic return? **The app allows ACH Debit for Sales/Use, Withholding, and Fuel only if the return for that given tax period has been eFiled. The app allows eFiling without ePaying. No controls prevent ACH Credit payments, credit card payments, or checks. The app allows ACH Debit for Individual/Corporation Income tax without regard to whether the return was pFiled (paper) or**



**eFiled.**

8. Does your website have upload capabilities or does the taxpayer key the information? **Our app has upload capabilities: EDI for Fuel; CSV for Fuel, Sales/Use, and Withholding.**
9. If further contact is needed, could you please provide the name, phone number and email address of the appropriate person?

**Leann.Boswell@iowa.gov Ph: 515.281.4220**

**Peter.Johann@iowa.gov Ph: 515.242.5882**

Thanks,

*Allison O. McLendon*

Allison O. McLendon  
Supervisor, Electronic Services A  
SC Department of Revenue  
PO Box 125  
Columbia, SC 29214  
(803) 896-1778  
mclenda@sctax.org

**Allison McLendon**

---

**From:** efile@lists.taxadmin.org on behalf of Witt, Lynn [WittL@finance.nyc.gov]  
**Sent:** Monday, November 30, 2009 1:52 PM  
**To:** Efile; efile@lists.taxadmin.org  
**Cc:** Allison McLendon  
**Subject:** RE: FTA Efile List:Electronic Filing Payment/Return Survey

See New York City's reply, below:

1. Yes we do have an electronic sytem to file and pay online. It is processed through our Lockbox Bank.
2. Taxpayers and practitioners go to our website under business taxes and file a form electronically. If there is a balance due, they must pay electronically with form.
3. The business taxes are General Corporation Tax, Bank Tax, Commercial Rent Tax, Hotel Tax, Utility Tax. We also have a similar system for Property Tax.
4. The return and payment due are one transaction.
5. New York City Department of Finance allows payments in US dollars via ACH debit, ACH credit and FedWire.
6. The information is processed through our lockbox bank and transmitted with the paper returns that they process.
7. If you file electronically it must be both return and payment. We do not allow paper returns with electronic payments or the reverse.
8. The information is keyed into the return. The upload is only allowed for Property Taxes.
9. Linda Levine 212 232-1544 [levinel@finance.nyc.gov](mailto:levinel@finance.nyc.gov)

---

**From:** efile@lists.taxadmin.org on behalf of Allison McLendon  
**Sent:** Mon 11/30/2009 11:59 AM  
**To:** efile@lists.taxadmin.org  
**Cc:** Allison McLendon  
**Subject:** FTA Efile List:Electronic Filing Payment/Return Survey

The South Carolina Department of Revenue is gathering data for the acceptance of ACH Credit payments and electronic returns submitted as separate transactions. Thank you in advance for your response and time.

1. Do you currently have an electronic system that allows taxpayers to file and/or pay online?
2. If so, can you give a brief description as to how the system works?
3. What taxes do you allow them to file or pay electronically?
4. Do the taxpayers make the payments at the time they file their returns or is that a separate transactions?
5. Does your state accept ACH credit and ACH debit transactions?

6. How does the payment and return post to the taxpayer's account? Is it a separate transaction for the payment and return or do they post as a single transaction?
7. Are taxpayers allowed to pay electronically and send a paper return or send a paper check and file an electronic return?
8. Does your website have upload capabilities or does the taxpayer key the information?
9. If further contact is needed, could you please provide the name, phone number and email address of the appropriate person?

Thanks,

*Allison O. McLendon*

Allison O. McLendon  
Supervisor, Electronic Services A  
SC Department of Revenue  
PO Box 125  
Columbia, SC 29214  
(803) 896-1778  
mclenda@sctax.org

**Allison McLendon**

**From:** efile@lists.taxadmin.org on behalf of Karen\_Fisk@tax.state.oh.us  
**Sent:** Monday, November 30, 2009 12:59 PM  
**To:** Efile  
**Subject:** Re: FTA Efile List:Electronic Filing Payment/Return Survey

"Allison McLendon" <MCLENDASCTAX@tax.state.oh.us>  
Sent by: <efile@lists.taxadmin.org>

To: efile@lists.taxadmin.org  
cc: "Allison McLendon" <MCLENDASCTAX@tax.state.oh.us>  
Subject: FTA Efile List:Electronic Filing Payment/Return Survey

11/30/2009 11:59 AM

Please respond to "Efile" <efile@lists.taxadmin.org>
---------------------------------------------------------

The South Carolina Department of Revenue is gathering data for the acceptance of ACH Credit payments and electronic returns submitted as separate transactions. Thank you in advance for your response and time.

1. Do you currently have an electronic system that allows taxpayers to file and/or pay online?  
Yes
2. If so, can you give a brief description as to how the system works?  
Taxpayers may pay electronically when they use our on-line services I-file and eforms. They may also pay directly via the e-payment system.
3. What taxes do you allow them to file or pay electronically?  
They may pay their individual and school district income current or prior year taxes, estimated, assessment, and billing payments.
4. Do the taxpayers make the payments at the time they file their returns or is that a separate transactions?  
They may pay at the time they file or separately through ePayments
5. Does your state accept ACH credit and ACH debit transactions?  
Yesh
6. How does the payment and return post to the taxpayer's account? Is it a separate transaction for the payment and return or do they post as a single transaction?  
Separate Transactions
7. Are taxpayers allowed to pay electronically and send a paper return or send a paper check and file an electronic return?  
Yes, but they may not request a debit on a paper return. If a taxpayer wants to pay electronically after filing a paper return they have to pay using our ePayments system.
8. Does your website have upload capabilities or does the taxpayer key the information?

The taxpayer has to key the information.

9. If further contact is needed, could you please provide the name, phone number and email address of the appropriate person?

Karen Fisk

Karen\_Fisk@tax.state.oh.us

614-466-0197

Thanks,

*Allison O. McLendon*

Allison O. McLendon

Supervisor, Electronic Services A

SC Department of Revenue

PO Box 125

Columbia, SC 29214

(803) 896-1778

mclenda@sctax.org

**Allison McLendon**

**From:** Tax.Efile@hawaii.gov  
**Sent:** Monday, November 30, 2009 3:50 PM  
**To:** Allison McLendon  
**Subject:** Re: FTA Efile List:Electronic Filing Payment/Return Survey

Hi Allison,

Please see below for our answers in black. Thank you.

Mahalo,  
Rose

Electronic Processing Section  
P.O. Box 259  
Honolulu HI 96809-0259  
(808) 587-1740  
(808) 587-1488 fax  
(808) 587-4242 general inquiry  
Tax.Efile@hawaii.gov

"Allison McLendon" <MCLENDASCTAX@hawaii.gov>  
Sent by: <efile@lists.taxadmin.org>

11/30/2009 07:02 AM

Please respond to "Efile" <efile@lists.taxadmin.org>
---------------------------------------------------------

To efile@lists.taxadmin.org  
cc "Allison McLendon" <MCLENDASCTAX@hawaii.gov>  
Subject FTA Efile List:Electronic Filing Payment/Return Survey

The South Carolina Department of Revenue is gathering data for the acceptance of ACH Credit payments and electronic returns submitted as separate transactions. Thank you in advance for your response and time.

1. Do you currently have an electronic system that allows taxpayers to file and/or pay online? Yes.
2. If so, can you give a brief description as to how the system works? Taxpayers may file and pay online. It is free to file online. If they file online, they select the form for the type of taxes that they are filing such as Withholding. If they chose to make a payment, they must put a payment amount on the payment line and by doing so, it will take them to the payment screen where they can input banking and contact information. There is a fee to make payment by either credit card or electronic check. If they only want to file and do not want to make a payment, they would put "0.00" on the payment line and this will take them directly to the confirmation page.
3. What taxes do you allow them to file or pay electronically? General Excise, Withholding, Transient Accommodations, Estimated Income Tax, Estimated Income Tax and Resident Individual Income Tax (Short Form)

4. Do the taxpayers make the payments at the time they file their returns or is that a separate transactions? Taxpayers can make payments at the time they file their returns if they input a payment amount on the payment line, which takes them to the payment screen. However, taxpayers can make payments at anytime with a tax payment voucher, which would be a separate transaction. Therefore, a taxpayer could file their return only first and decide to pay later in a separate transaction with a tax payment voucher.
5. Does your state accept ACH credit and ACH debit transactions? Yes.
6. How does the payment and return post to the taxpayer's account? Is it a separate transaction for the payment and return or do they post as a single transaction? Depends on the type of tax. If it is income or estimated tax, the payment and return post at the same time. However, if it is for business taxes, it posts separately.
7. Are taxpayers allowed to pay electronically and send a paper return or send a paper check and file an electronic return? Yes and yes.
8. Does your website have upload capabilities or does the taxpayer key the information? No, the taxpayer needs to key in the information.
9. If further contact is needed, could you please provide the name, phone number and email address of the appropriate person? Rose Salvacion, (808) 587-1740, [rosila.r.salvacion@hawaii.gov](mailto:rosila.r.salvacion@hawaii.gov)

Thanks,

Allison O. McLendon

Allison O. McLendon  
 Supervisor, Electronic Services A  
 SC Department of Revenue  
 PO Box 125  
 Columbia, SC 29214  
 (803) 896-1778  
[mclenda@sctax.org](mailto:mclenda@sctax.org)



**SOUTH CAROLINA DEPARTMENT OF REVENUE**  
**Sales and Use Tax System**

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**Filing Steps**

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**Payment**

**Which payment method would you prefer ?**

☐ Credit Card Payment

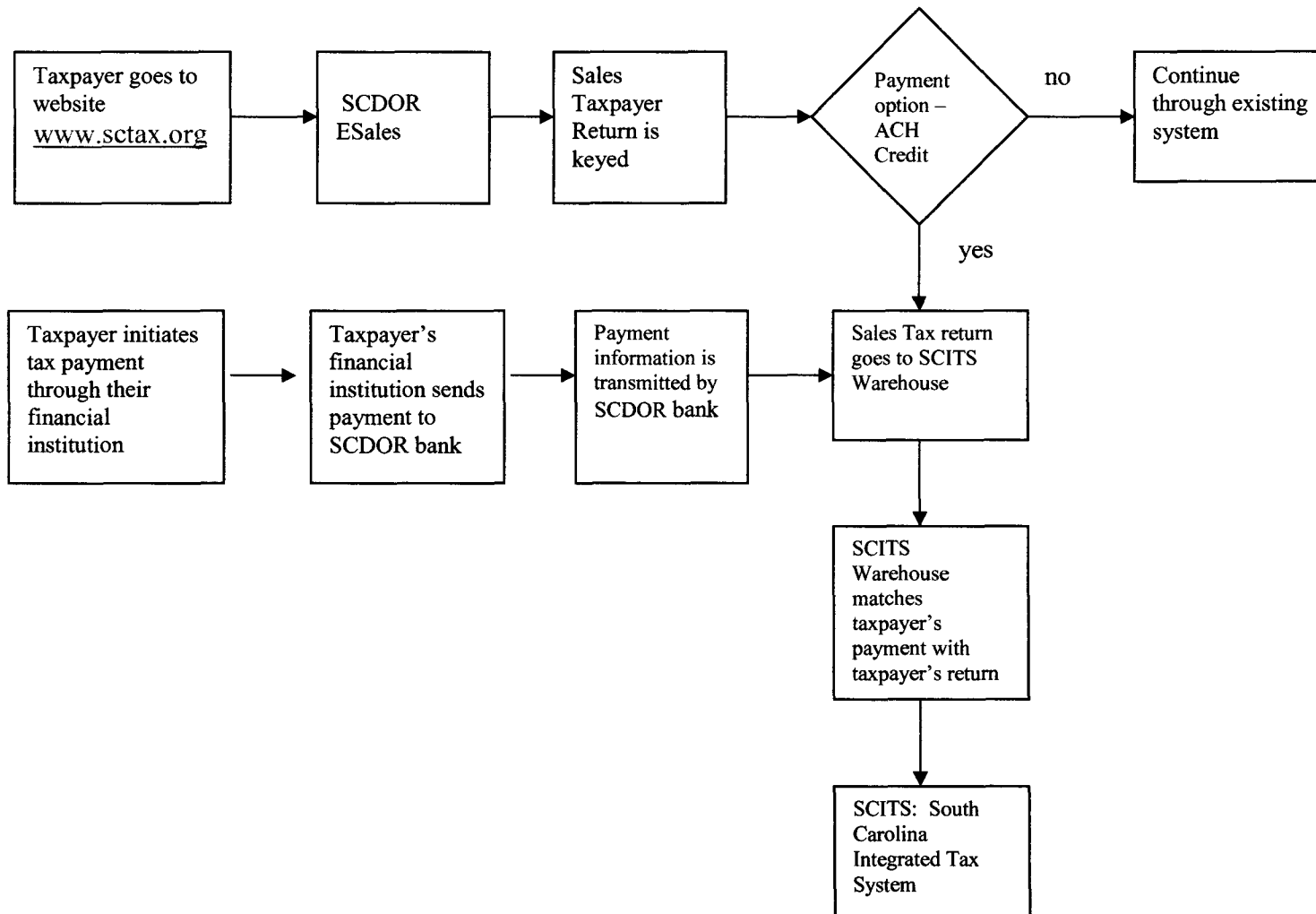
☐ Electronic Funds Withdrawal

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Payment page will need to add an option of ACH Credit. An explanation will need to be added to explain what an ACH Credit is and that payment is expected through another method. The system will then take the taxpayer directly to the confirmation page.



## Proposal for ACH Credit on ESales



PROJECT PROPOSAL  
CERTIFIED PUBLIC MANAGER PROGRAM

NAME Allison McLendon CLASS 2010 DATE July 13, 2009

ORGANIZATION SC Department of Revenue

PROPOSED TITLE OF YOUR PROJECT: Separate Submissions of Sales Tax Returns and ACH Credit Payments for the SC Department of Revenue's ESales System

What is the problem you wish to investigate? Taxpayers that choose to submit an ACH credit payment for Sales and Use Tax have to purchase software to send their return. I propose to investigate the capability of taxpayers being able to submit a sales tax return to the agency's ESales Internet application and an ACH credit payment through the agency's Electronic Funds Transfer system.

Why is this a problem? Currently, taxpayers that use the agency's free internet system to file and pay their sales tax returns must submit their payment as an ACH debit or credit card payment. If they choose to pay by an ACH credit payment they must purchase software to upload their return. Our agency requires the payment and return process together as one transaction. Companies that are only allowed to pay through ACH credit are discouraged to file electronically if they must purchase software. Other states offer taxpayers the ability to submit their return on the website and pay by other means. Although the state does mandate certain taxes to pay electronically and gives taxpayers an incentive this would benefit our agency by reduction in errors and increase electronic filing/paying.

What data will you need to gather and what methods will you use to gather it? What are the sources of your data?

1. Collection of information through a survey to other states that have similar system
2. Interviews with technical personnel
3. Collection of information including time and resources of technical staff and tax specialist
4. Requirement of changes to system
5. \_\_\_\_\_
6. \_\_\_\_\_

PLEASE USE THIS SPACE TO ELABORATE ON ANY OF THE PRECEDING INFORMATION.

Please circle the answers to the following questions about your project:

1. Does this project represent something you have a reasonable amount of control over in your current position?

☒ A. Yes    B. No    C. Unsure

2. Has your supervisor reviewed and approved this project proposal?

☒ A. Yes    B. No

My current E-Mail Address: mclenda@sctax.org

My current Telephone Number (803) 896-1778

Submitted by:

Allison McLendon

Date: July 16, 2009

Approved by (OHR):

\_\_\_\_\_

Date \_\_\_\_\_

# CPM Project

Allison McLendon  
December 1, 2009

**I. Proposed Title of Project:** Separate Submissions of Sales Tax Returns and ACH Credit Payments for the SC Department of Revenue's ESales System

**II. Problem Statement:** Taxpayers that choose to submit an Automated Clearing House credit payment for Sales and Use Tax have to purchase software to send their return. I propose to investigate the capability of taxpayers being able to submit a sales tax return to the agency's ESales Internet application and an ACH credit payment through the agency's Electronic Funds Transfer system.

**III. Data Collection**

- a) Automated Clearing House and the differences between ACH Credit and ACH Debits
- b) The current systems that the South Carolina Department of Revenue have available to taxpayers
- c) Cost analysis for incorrectly filed returns and payment
  - 1) Interview with temporary employee
  - 2) Tracking of hours needed to correct errors
  - 3) Salary range of those correcting errors
- d) New development needed
  - 1) Interviews with IT, system and tax personnel
- e) Changes needed for existing systems
  - 1) Information gathered from other states and DOR personnel
- f) Other states that have these types of systems available
  - 1) Surveys
  - 2) Other information gathered from states

**IV. Data Analysis**

- a) Advantages and disadvantages to this process

**V. Conclusion and Recommendations**